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The Federal Life Co. of America Inc. as a Stock Co. by New Jersey M. BRUCE CARPENTER, Mgr. For Nebraska and South Dakota 312-33 City Nat'l Bldg., Omaha

**Northwestern Mutual Life Insurance Company OF MILWAUKEE**

**MANN & JUNOD**

General Agents  
538-544 Brandeis Building, OMAHA

# Notes from the Insurance Field

**ACTIVITIES OF FIRE BUGS**

New York's Fire Commissioner Makes Startling Report.

**EXCESS INSURANCE ONE CAUSE**

Criticism of Insurance Experts—Proposed Remedies for Excess in Issuing Fire Policies.

Fire insurance circles in New York are considerably stirred over the report of Fire Commissioner Johnson to Mayor Gaynor, charging insurance companies with gross laxity in issuing fire policies without investigation, thereby encouraging incendiaries, which, he says, is the origin of a large proportion of fires in the metropolis.

The report has to do with personal property chiefly—contents of stores, shops and household goods—because excess insurance is most readily obtainable in this line. To this fact the commissioner traces the activities of the fire bugs. Out of 4,612 fires in Manhattan, The Bronx and Richmond, in 1912, 395 were in the incendiary zone of Manhattan. In greater New York the annual loss from incendiarism is placed at \$4,000,000 or \$10,500 a day.

To show the laxity of insurance companies in issuing policies on property never examined, the department chief gathered together two chairs, one small gas heating stove, three shade curtains and a cuspidor, all costing \$3.44. These articles were installed in different quarters successively and 126 policies obtained, totaling \$17,520.

"It may be stated right here," says the commissioner, "that this investigation has disclosed not only a definite connection between incendiarism and the method under which fire insurance is issued, but that the present methods of issuing insurance are directly responsible for the activities of the so-called 'fire bug' and the loss of \$4,000,000 worth of property a year in this city."

**Expert Contradiction.**

Willis O. Robb, manager of the New York Fire Insurance exchange, denounces the commissioner's report as a collection of half truths and challenges the accuracy of his firebug estimate. Mr. Robb asserts that \$1,000,000 would be the maximum annual fire loss traceable to incendiarism in New York. He says: "The preposterous overinsurance represented by the \$17,520 of policies you recently paid \$200 or \$300 of the city's money for and then hang up as an exhibit would not have been worth \$50 in the hands of four actual policyholders of criminal instincts residing in the four locations, where the several policies cover. The fraud involved in the mere attempt to procure such an amount of insurance in such property violates a New York standard policy and no one would dream of trying to collect a loss under such circumstances."

W. T. Emmet, state superintendent of insurance, does not agree with the fire commissioner that inspection before insurance is the only proper remedy against incendiaries burning their property to collect excess insurance. "The average rate for policies covering household goods," says Mr. Emmet, "is about \$5 a thousand for three years. This is not large. If the companies were obliged to make inspections in every case before a policy was issued the rates would increase to figures which might double the present rates or more. This would be imposing a hardship and an unjust burden upon every property owner and every householder in the state while still falling to stop the 'firebug.' The person who takes out a policy for \$1,000 or so on property worth \$50 with the object of burning up his place and collecting the face of the policy is so infinitesimal an atom in the great insurance world that to penalize all other insurers for the purpose of getting rid of him is a remedy altogether too drastic to merit serious consideration."

**Proposed Reforms.**

Commissioner Johnson recommends twelve changes in fire insurance methods designed to end the evils complained of, as follows:

1. Amendment of present standard fire insurance policy, so as to conform, in all respects, to the most stringent regulations of foreign policies.
2. Limitation of insurance where applicants have had previous suspicious fires.
3. Cancellation of policies, in suspicious cases, at instance of fire commissioner.
4. Powers given to fire commissioner to veto licenses of dishonest brokers, agents and adjusters.
5. Right inventory of stock in all cases and notice of substantial decrease served on companies by applicant, under penalty of policy becoming void. Prohibition of reduction of stock below certain percentage (say 25 per cent) without notification to companies.
6. Assured having more than three fires, after which insurance has been collected, to be compelled to obtain certificate of character from fire marshal showing assured to be without suspicion.
7. Right prior inspection of all property in accordance with foreign system of proposal forms.
8. All answers by assured on proposal forms to become warranties in policy; any false or misleading statements thereupon to vitiate contract.
9. Insurance to be limited to actual value.
10. Central bureau of information for use of fire insurance companies to be established at fire headquarters, in which will be kept on file, for immediate reference by companies, names of all parties having suspicious fires. This bureau to be used by all insurance companies before granting policies.
11. Inspection of books of suspected firms and individuals by fire department to ascertain financial conditions of all such suspected persons applying for fire insurance.
12. Publicity of all cases of fires where

cause of same is "not ascertained," and where fires are suspicious in origin.

12. Active co-operation among fire department, police department, state banking department, and state insurance department as to the granting of insurance, the licensing of brokers and adjusters, and the investigation of character of suspected persons applying for fire insurance.

**PICTURE PRESENTS NEED OF ACCIDENT INSURANCE**

A forceful accident insurance picture was published in Sunday's Bee by the National Fidelity and Casualty company of Omaha in connection with a little picture contest which this paper is carrying on. The illustration was that of a policyholder bedridden, all bandaged and otherwise showing signs of disability, evidently due to some accident, and indicating that the man would probably be confined to his bed for a long time. Immediately next to this scene was one showing the same man, outside of his cottage, apparently recovered from his injuries, receiving a check from a representative of the accident company.

Readers of The Bee were asked to entitle this picture and offered a prize for the one chosen as best. Next Sunday the same picture will be shown in The Bee and will bear the winning title and the name and address of the author.

The incident shown by the National Fidelity and Casualty company is by no means an uncommon occurrence. In fact, it happens almost every day and sometimes many times a day. Daily, since accident companies have been doing business, have some provident heads of families received reimbursement from insurance companies for accidental injuries which frequently disabled them for long periods of time, and without which insurance money many of the families of the injured would have suffered from want and penury.

The company says it is such illustrative incidents as described above that are needed to awaken the imprudent to the need of adequate insurance, and it will be interesting to note the various answers that contestants will submit as titles for the pictures shown by the National Fidelity and Casualty company.

**Noted Insurance President.**

Cyrus Kirk, president of the Equitable Life Insurance company of Iowa, died at his home in Des Moines last week. Mr. Kirk settled in Des Moines at the close of the civil war in which he served with distinction. He first worked as a blacksmith, later followed other occupations until 1882, when he became identified with the insurance company above named. From that day he began to be a factor in the Iowa insurance world. His company appreciated his services and promotion after promotion followed until he was elected president in January, 1907. "He was not a man given to ostentatious display," says the Des Moines Capital, "but he had certain traits of character which dominated his entire life and crowned his efforts with success. These traits were inherent honesty, willingness to work, a natural detestation of sham and a deep sympathy with every worthy cause."

**Insurance Notes.**

The Tennessee court of appeals has ruled that a person killed in one of the night-riding raids in the recent tobacco trouble is recoverable under his life insurance policy because of the clause providing that the beneficiary could not recover if the insured met his death while engaged in an unlawful pursuit.

The Kentucky board of fire underwriters has recommended to the local agents of the state that where sales of agencies are contemplated the representatives of companies in the agency be consulted as to price, condition of balances and the desirability of the new purchaser in order to avoid many complications now arising.

The proposed reduction in brokerage commissions on liability insurance business in New York, which was to have become effective on February 1, was has been deferred to March 1. This action was taken because it was found that several of the companies which are parties to the agreement had already issued their February renewals.

William T. Emmet, New York superintendent of insurance, has recommended to the governor recodification in its entirety of the insurance law, which in many instances is ambiguous and obsolete. It is pointed out that the present insurance laws originally were enacted to deal with fire insurance only, and since have been patched up in an endeavor to make them fit existing conditions.

**Lifelong Bonds.**

ner troubles in needless. Electric Bitters is the guaranteed remedy. Only 50c. For sale by Barton Drug Co.—Advertisement.

**ASSETS ARE A GUARANTEE**

W. G. Preston Shows Necessity of Care in Buying Bonds.

**MANY BONDS ARE REJECTED**

Care Must Also Be Used in the Risks a Life Company Takes in Writing Its Insurance Policies.

Assets of an insurance company are in we sense a guarantee fund—something like the reserve fund which a bank is required to keep intact in order to safeguard the interests of depositors. Insurance company assets must be invested in a way to conserve the interests of all policy holders. Discussing the subject Walter G. Preston, treasurer of the Bankers Reserve Life company said:

"We find it necessary to decline many proffered investments—perhaps 90 per cent. Brokers continually complain of the exactions to which we adhere in purchasing securities, yet the registered bonds owned by this company are now worth at least \$20,000 in excess of par value, and one real estate mortgage average in amount only 25 per cent of the actual value of realty pledged to secure the mortgage notes. We buy only such securities as are nonfluctuating, insofar as possible we confine our purchases to government, state, county, municipal and school district registered bonds, and before purchasing any of these we make a thorough examination of the history of each bond issue. If we find the district issuing bonds ever repudiated a bond issue, or if it seems inclined to vote a bond issue not strictly necessary for the good of the community—we hesitate to purchase the issue.

"If we find the political division is inclined to exceed the maximum statutory limit of bond issues, or that it is issuing warrants in order to meet pressing debts we hesitate to buy the proffered bonds. We require that all bonds purchased by us shall cover a debt which the entire electorate is pledged to redeem. We avoid issues voted only by a small division of the municipality.

"A life company must of necessity be very discriminating for its funds are held in trust for the beneficiaries of policyholders—their wives and children and near kinsfolk—whose interests must be sacredly guarded. This obligation also calls for the finest discrimination in accepting risks. An insurance company must be absolutely sure that an applicant for insurance is mentally and physically sound. We must throw out all applications that tend to increase the company's mortality rating unduly. Every body is familiar with the way in which insurance companies compute the average number of deaths annually among a thousand policyholders. Such computation is based upon the American experience table which is made up from the death rate of the large life insurance companies covering the last fifty years. In this way insurance men know just how many deaths may be reasonably expected. It is a matter of great satisfaction to the company I represent to be able to say that the actual mortality has not in years exceeded 20 per cent of the estimated mortality based upon average.

**HOME CASUALTY COMPANY OF OMAHA ELECTS OFFICERS**

The annual meeting of the stockholders of the Home Casualty company, Omaha, was held at the offices of the company, 500 Brandeis building last week. The following board of directors was elected for the ensuing year: Edward M. Martin, attorney, Omaha; R. S. Payne, banker, Neligh; J. Folds, banker, Schuyler; Emil Folds, banker, Clarkson; J. J. Melick, banker, Omaha; and W. J. Keene, secretary and manager, Omaha.

A meeting of the board of directors was held on the same date at the same place at which the following officers were elected for the ensuing year: Edward M. Martin, president and counsel, Omaha; R. S. Payne, vice president, Neligh; J. Folds, treasurer, Schuyler; and W. J. Keene, secretary and manager, Omaha.

**Insurance Personal.**

S. J. Horton, formerly special agent of the Franklin Fire Insurance company of Philadelphia for Iowa, Nebraska and South Dakota, has been appointed special agent for the Northern of London, with Iowa and Nebraska as his territory. He succeeds E. M. Odoman, who was transferred to Michigan.

**Equitable Life Assurance Society of the U. S.**

Assets over \$500,000,000, Paid Policy holders over \$815,000,000.

H. D. NEELY & CO., Managers  
H. D. NEELY, JOE KLEIN, E. H. PICKARD  
Merchants Nat'l Bank Bldg.

**Obey That Impulse!**

Not the man who INSTENTED but the man who INSTICED left provision for his family.

**G. W. NOBLE,**  
General Agent.  
CHARLES L. HOFFER, Special Agent.  
J. C. KITCHENAY, Special Agent.  
OFFICES: 628-642 Brandeis Bldg., Omaha.

**THE Union Central Life Ins. Co.**

OF CINCINNATI, OHIO

**HARRY O. STEEL**  
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211-213 Range Bldg., Phone D 2182

WHEN BUYING LIFE INSURANCE consult one who knows the life insurance business; one who is able to advise you the best form of policy FOR YOU.

There are more than 40 different kinds of policies issued. Get the form best suited to your condition in life. Write or call.

**Clarence N. Anderson,**  
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**"State Mutual Life" OF WORCESTER, MASS.**

ONE OF THE OLDEST—69 YEARS —and Best Companies on Earth.

**W. H. INDOE**  
General Agent  
682 Bee Building, OMAHA

ORGANIZED 1845.

**The Mutual Benefit Life Insurance Company**

OF NEWARK, NEW JERSEY

**GEO. T. BLANDFORD,**  
General Agent  
418-10 City National Bank Bldg., Omaha, Nebraska.

The accumulated assets of the Bankers' Reserve Life Company of Omaha approximate Four Millions of Dollars. They are invested in high class securities, which last year yielded an income of \$168,390.40. This income exceeded the year's death losses by \$30,790.40, which amount went to swell the surplus fund. Other Items of income of the company exceeded One Million Dollars for the year.

## Prominent Omaha Insurance Men



**W. H. INDOE, GENERAL AGENT OF STATE MUTUAL LIFE ASSURANCE COMPANY OF WORCESTER, MASS.**

The familiar faces of Omaha's leading insurance men will be shown in the above space from time to time.

WHEN A MAN LIVES CLEAR UP TO HIS INCOME he owes it to his family and his business to provide adequate life insurance—the unexpected is always happening. See

**TOM KELLY "THE INSURANCE MAN"**  
EIGHTY MILLION ASSETS  
Douglas 961.

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SEE US BEFORE BUYING ANOTHER POLICY IN ANY BRANCH OF INSURANCE

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General Agent Illinois Surety Co.

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**Continental Casualty Company**

Largest Exclusive Health and Accident Company in the United States.  
311 Paxton Bldg. LEWIS V. CAUM, District Manager.

**LIFE INSURANCE AGENTS**

You may be interested to know that during the months of October, November and December, 1912, The Midwest Life wrote \$600,000 of insurance, a larger amount than in any other three months of its history. One agent, and those working with him, placed \$65,000 in December.

We want six or eight more high grade men, with or without previous experience. Splendid territory in Nebraska still open. Our agents' contracts are liberal in both the initial and renewal commissions. Call or write

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A. A. TAYLOR and GEORGE GREGORY, General Agents, Room 1212-1214 City National Bank Building, Omaha.

**Love-Haskell Company**  
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Capital, \$200,000

A. J. LOVE, President. W. M. ARMSTRONG, Secretary.  
General Agents, Room 1212-1214 City National Bank Building, Omaha.

**The German Fire Insurance Co. of Nebraska**  
A. J. LOVE, General Manager.

**J. H. Mithen Co. INC.**

921-4 CITY NAT'L BANK BLDG.

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Employers Liability  
Automobile Liability  
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Plate Glass

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Silas R. Barton, Auditor.  
C. E. Pierce, Deputy.

STATE OF NEBRASKA  
INSURANCE DEPARTMENT  
AUDITOR'S OFFICE  
Lincoln, Nebraska.  
National Fidelity & Casualty Co., Omaha, Neb.

I beg to advise that I have just completed an audit of the books of your company, and find that this report of examination shows an increase of business for the first six months of 1912 over the corresponding period in the previous year. We are pleased to know that all requirements under the law have been complied with, and we bespeak for yours and all other Nebraska companies a successful future.

Very respectfully,  
SILAS R. BARTON, Auditor.

Jay D. Foster Joseph Barker

**Foster-Barker Company**

Successors to H. E. Palmer, Son & Co.

Fire, Liability, Automobile, Burglary, Tornado, Accident, Plate Glass, Bonds, Etc.

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GENERAL INSURANCE

BARKER BLK. TEL. DOUG. 735

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**The Columbia Fire Underwriters**

OF OMAHA

Home Offices—Entire Third Floor Merchants National Bank Building. Phone Douglas 451.

C. O. Talmage, Manager. M. E. Leese, Assistant Manager.

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Our Accident and Health Policies Cannot Be Met in Competition. See Them Before You Buy.

**Lion Bonding & Surety Co.**  
W. O. W. Bldg. Phone Douglas 678, Accident Dept.

**Beaman Insurance Agency**

ALL KINDS OF INSURANCE

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No Policy too big nor too small for my careful personal attention. See Me — I adjust losses.

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GENERAL INSURANCE  
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It is MONEY in your pocket to place insurance with the agency that looks after Your interests when you meet with a loss.

We do this—and have for twenty years. Our policies are best—let us convince you. A telephone call will bring a representative.

J. M. Baldrige John W. Madden

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